

TSAC Update

Helping Students Achieve Their Goals Since 1974

August 2006 Vol. 2

Message from the Executive Director



One thing we've all learned in our working lives is that the more time we spend planning, the less time we have to spend fixing problems. That's certainly been the case at TSAC this summer as we gear up for two new financial aid programs: The Math & Science Teacher Loan Forgiveness Program, and the Graduate Nursing Loan Forgiveness Program. We have invested an incredible amount of staff resources in the development stage, so that these two new programs will be simple to administer when they come online.

When the 2006 General

Assembly created these programs, there was only a bare-bones description of how they should work. It is up to TSAC to flesh out the details through the rule-making process, and the devil is in the details!

Fortunately, the financial aid community has been quick to help. On July 26, the TASFAA Advisory Committee met with TSAC staff, nursing educators, and others in the higher education community to review draft rules. During that meeting, a number of changes were suggested. The latest draft rules, available at www.CollegePaysTN.com, reflect the July 26 discussion.

I sincerely thank the financial aid community for its contribution to the rule-making process. These two new programs will benefit from your practical experience. After all, who is better able to plan a new program, than those who will eventually be assigned the task of making it work!

Bob Ruble

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TSAC Selects Grants & Scholarships Leader

After reviewing countless resumes and applications, the hunt for a new Associate Executive Director for Grants and Scholarships has finally ended. Beginning Sept. 1, Tim Phelps will join the TSAC team by heading up the Grants and Scholarships division.

Tim comes to TSAC after almost four years of employment with the Kentucky Higher Education Assistance Authority (KHEAA), where he most recently served as the student aid branch manager over all Kentucky state-funded student aid pro-

grams. Mr. Phelps also has additional experience in administering the state's two need-based grant programs, the College Access Program Grant and the Kentucky Tuition Grant, in addition to coordinating the Kentucky Educational Excellence Scholarship, a merit-based program available to Kentucky students.

Tim and his family will be relocating to the Nashville area from Kentucky. His more than eight years of experience in financial aid at the state level will enhance TSAC's success.

System and Program Enhancements from the Loan Department

We've been busy making enhancements to both our Web products and mainframe systems software to support loan program changes mandated by the Higher Education Reconciliation Act (HERA), as well as other features requested by Tennessee schools and lenders.

Our technology team implemented the necessary changes to e*CLIPS in time to process Graduate/Professional PLUS loans July 1, the first day of the new program. In fact, 17 Graduate/Professional PLUS loans were certified July 1! This new program appears to be popular with graduate and professional students.

Other changes we've made to e*CLIPS to accommodate Graduate/Professional PLUS loans included:

- ▶ Changing PLUS MPN to Federal PLUS and adding Federal Graduate/Professional PLUS, so that users could distinguish between PLUS loans for parents and PLUS loans for graduate and professional students;
- ▶ Allowing e*CLIPS users to enter Graduate/Professional PLUS loans via the Batch Loan process or Quickview;
- ▶ Adding a new loan type in Search, so users can view only Graduate/Professional PLUS loans;
- ▶ Adding a Graduate/Professional PLUS loan type to reports and forms, so that users can sort by this loan type; and
- ▶ Allowing exception processing for institutions whose software was not ready for Graduate/Professional PLUS loans.

In addition, the word "Guarantee Fee" was changed to "Federal Default Fee" in e*CLIPS and ClipsLink to comply with the change made in HERA. A Military Operations deferment was also added to the deferment options.

We also enhanced our mainframe software to achieve the following:

- ▶ Support the new PLUS loan for graduates and professionals. Our system will recognize the receipt and translate a new loan code of GB on new applications, CAM and Commonline transactions. Our proprietary transactions will still reflect a loan code of P.
- ▶ Add a new electronic file to our Federal Default Fee Billing process. The new job will allow operations staff to translate the file into a spreadsheet file for use in sending monthly billing information to lenders.
- ▶ Add the new interest rates for 2006-2007 to the online process consolidation and refinanced loans.

Finally, we added functionality to our system to address these changes to the claims process:

- ▶ Support a lender insurance rate of 97% based on the loan's first disbursement date.
- ▶ Support a lender insurance rate of 99% for Exceptional Performer lenders for claims first filed on or after July 1, 2006.
- ▶ Support a lender insurance rate of 100% for exempt claims, based on the claim first disbursement date on or after July 1, 2006.

As you can tell, it's been a busy last few months preparing to meet the HERA requirements that came into effect July 1. Along with these critical HERA updates, our technology team continues to grow and enhance our technical capabilities in order to help you provide the best possible service to your borrowers.

Get to know the TSAC team



Naomi Derryberry is a cherished member of the TSAC team. This Tennessee native has over 35 years of experience and brings a wealth of knowledge with her. Naomi started as a keypunch operator for what was then called the Tennessee Education Loan Corporation. Though she

has held many positions, she still loves being involved in helping others attain their higher education goals. Naomi currently holds the title of Grant and Scholarship Program Administrator and finds the relationships that she has built the most rewarding part of her job.

Naomi is a music lover who enjoys attending live concerts and appreciates the rock of the Beatles and the roll of the Rolling Stones. She is devoted to her family and combines her love of photography with her love of family by capturing moments in her granddaughter's lives. She finds her inspiration in the faces of her grandchildren and appreciates the works of Norman Rockwell and Monet.

Comments from Naomi

"I have had many job duties over the years, and can honestly say I have never been bored. New funding, new scholarships, new rules still interest me but most of all I enjoy working with so many people across the state of Tennessee. I have had the opportunity to make many great and lasting friendships over the years."

Around the Corner... The Tennessee Default Prevention Summit!

In order to more efficiently serve the financial aid community, TSAC is embarking on our first Default Prevention Summit. During the event to be held on Sept. 12, discussion topics will include: cohort default rates, characteristics of a successful default prevention plan and roundtable discussions of initiatives. The focus of the Summit is to bring Tennessee schools and lenders together under TSAC's leadership on an important public policy issue--Default Prevention. Individual invitations for the event have been distributed to a representative from each college and university in Tennessee. We are eager to work with the financial aid community in order to develop a customized default prevention program that meets the needs of Tennessee students, and we welcome any feedback and/or suggestions from our school partners.

Compliance/Legal Affairs Division Update

Effective July 1, 2006, TSAC school program reviews will cover the 2004-2005 and the 2005-2006 academic years. The questionnaire that we send to each two or four year institution prior to the program review has been updated to include questions related to the Tennessee Education Lottery Dual Enrollment Grant.

Training for new financial aid staff was held Aug. 1, 2006 at the TSAC offices. Additional training workshops will be offered later in the year. If you have suggestions about other topics and/or types of training that we should be included, please contact Karen Myers by calling (615) 253-7444 or emailing her at karen.myers@state.tn.us.

The legal affairs staff has been focused on the development of TSAC rules implementing changes to various Tennessee laws regarding state financial aid programs made by the General Assembly this past spring.

College Goal Sunday Planning in Progress

Mark your calendars! The official date for College Goal Sunday will be Feb. 18, 2007. To aid in planning, we're looking for ideas and suggestions to help us reach our target audiences, first-generation and minority students. If you have local organizations in your area that work with these students, please feel free to forward contact information to Darolyn or Naomi. We are excited about entering this second year of the initiative in Tennessee and look forward to working with you during the coming months.

*** IMPORTANT ***

Please remember that the following numbers: 1-866-291-2675 and 1-615-741-3000 were created for administrators and counselors only. These numbers are especially for your convenience and will not connect with a help counselor immediately.

Please route parent and student questions to: 1-800-342-1663 and/or 1-615-741-1346.

TASFAA and TSAC Work on Rules for Two New Loan Forgiveness Programs

On July 26, 2006, TSAC met with members of the TASFAA Advisory Committee and other higher education, nursing and financial aid professionals to begin developing rules and regulations for the new Math and Science Teaching and Graduate Nursing Loan Forgiveness programs.

The new teaching and graduate nursing programs are the result of new legislation that passed in May, which was officially signed into law in late June. In essence, the new laws will help to increase the amount of registered nurses in Tennessee by increasing the amount of nursing educators, and the amount of tenured teachers in Tennessee that are certified to teach courses in math and science. The group discussed how to translate these new laws into action by developing rules and regulations for these programs.

During the course of the day, the more lengthy discussions included the online application processes for both programs, the requirement of the signed promissory note, and TSAC's ability to disburse the payment in equal amounts. The input received by the group was essential in the timely and effective dissemination of the rules for the new programs.

A list of details including eligibility requirements, application dates and procedures, program processes, and cancellations were only a few examples of the constructive feedback that TSAC received to ensure that the rules and regulations will be clear and concise. With so many details surrounding these new programs, it was decided that the programs would not be awarded until summer of 2007. We will work diligently with the financial aid community regarding details of implementation.

Interpreting the intent of legislation is not as simple as one might think. TSAC is extremely fortunate to have the input of the advisory committee and other professionals to help us through this process. As an agency, we are excited at the opportunity to administer two additional programs which will work to enhance the quality of secondary and post-secondary education in Tennessee. We look forward to the completion of the rules regarding these new programs and hope to have these to the financial aid community as soon as possible. Draft versions of the rules are posted on TSAC's website.

Upcoming TSAC Events

- 9/12/06 Default Prevention Summit

- 9/28/06 TSAC Board Meeting

Tennessee Fall Educator Workshops:

- 9/20/06 Columbia State Community College
- 9/21/06 Union University
- 9/22/06 University of Memphis
- 9/26/06 East Tennessee State University
- 9/28/06 University of Tennessee, Knoxville
- 9/29/06 Tennessee Technological University
- 10/3/06 Austin Peay State University
- 10/4/06 Lee University

Upcoming Conference:

- 9/15/06 - 9/17/06
The Educational Lottery "Working for Children," in Franklin, TN
- 9/5/06 - 11/3/06
TACRAO College Fairs
- 10/22/06 - 10/24/06
TASFAA Conference in Franklin, TN
- 11/18/06 - 11/21/06
Tennessee Counselors Association, in Chattanooga, TN

TSAC Training Workshop

TSAC held a very successful New Aid Officers Workshop on Aug. 1, 2006. Twenty-four participants attended with financial aid experience that ranged from the workshop being the individual's first day on the job to another person having ten plus years of experience but being new to

Tennessee. Workshop evaluations were very positive with many participants requesting that TSAC offer more training opportunities.

